

174752

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ATTORNEYS & COUNSELORS AT LAW

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ELIZABETH ZECK*
PAIGE J. GOSSETT
RANDOLPH R. LOWELL
K. CHAD BURGESS
NOAH M. HICKS II**

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

July 12, 2005

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

VIA HAND DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Application of South Carolina Electric & Gas Company for Adjustments in the
Company's Natural Gas Rate Schedules and Tariffs; Docket No. 2005-113-G

Dear Mr. Terreni:

In accordance with the Revised Transmittal Letter dated June 20, 2005, enclosed for filing are the original and one (1) copy of (A) Affidavits of Publication for *The News and Press, Inc.*, *Georgetown Times*, and *The Item* and an Affidavit of John R. Hendrix regarding same and (B) Affidavit of John R. Hendrix in the above-referenced matter reflecting that customers have been notified of the above-referenced application. These affidavits of publication are in addition to the five affidavits of publication for *The State*, *The Post & Courier*, *The Times and Democrat*, *The Aiken Standard*, and *The Beaufort Gazette* filed with the Commission by letter dated June 17, 2005. I would appreciate your acknowledging receipt of these documents by date-stamping the extra copies that are enclosed and returning them to me via our courier.

If you have any questions or need additional information, please do not hesitate to contact me. With best regards, I am

Very truly yours,

WILLOUGHBY & HOEFER, P.A.


Paige J. Gossett

PJG/twb
Enclosures

SO
COMM
2005 JUL 12 PM 3:47

The Honorable Charles L.A. Terreni

July 12, 2005

Page 2

cc: Florence P. Belser, Esquire
C. Lessie Hammonds, Esquire
Shannon Bowyer Hudson, Esquire
Scott A. Elliott, Esquire
David A. McCormick, Esquire
Mr. Frank Knapp
Catherine D. Taylor, Esquire
Patricia Morrison, Esquire
Mr. Kenneth R. Jackson
Mr. John R. Hendrix
Belton T. Zeigler, Esquire
(All Via US Mail)



Published daily

P.O. Box 1677 • 20 N. Magnolia Street • Sumter, S.C. 29151 • (803) 775-6331

STATE OF SOUTH CAROLINA
COUNTY OF SUMTER

PRINTER'S AFFI

Scana Corp

1426 Main Street

6th Floor, Mail Code 063

Columbia SC 29218

Personally appeared before me

Joyce Geddings

Joyce Geddings, Legal Clerk

who being duly sworn, says she is a
Bookkeeping Clerk of the OSTEEN
PUBLISHING CO., Publisher of THE ITEM,
A Newspaper published in said state and
county and that advertisement

SCE&G Appl. - Rate Adjustment

0000144095

was published in said newspaper on

6/22/2005

and a copy of advertisement is attached.

Sworn to before me this 23 rd
day of June, 2005.

Angela D Gordy

Notary Public for South Carolina

ANGELA D. GORDY
My Commission Expires
June 13, 2013

**NOTICE OF
FILING
AND HEARING
DOCKET NO.
2005-113-G**

**PUBLIC SERVICE
COMMISSION OF
SOUTH CAROLINA
DOCKETING DEPARTMENT**

**APPLICATION OF SOUTH
CAROLINA ELECTRIC & GAS
COMPANY FOR AN
ADJUSTMENT OF ITS
RATES AND CHARGES FOR
NATURAL GAS SERVICE,
FOR NEW DEPRECIATION
RATES AND CHANGES IN ITS
TERMS AND CONDITIONS
OF SERVICE**

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina.

The Application sets forth the following information in support of the proposed rates:

1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.

2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1.11%.

3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina,

Docketing Department
Drawer 11649,
Carolina 29211
business off
Applicant. Ex
notice identif
and alternati
charges. Addit
Application is
Commission's
www.psc.sc.gov.

In order for
evidence to be
interested par
hearing will b
Commission's
Synergy Busine
Building, 101 E
Drive, Colum
Carolina on
September 1
11:00 a.m.

Any person w
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Department at
below, Office
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and Catherine
Esquire, Asso
Counsel, Sou
Electric & C
Columbia, South
on or before Ju
Please refer to
2005-113-G.

Any person w
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Petition to
accordance with
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Procedure on
15, 2005. P
Docket No. 20

Any person wh
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be a party of re
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address below o
15, 2005. P
Docket No. 20

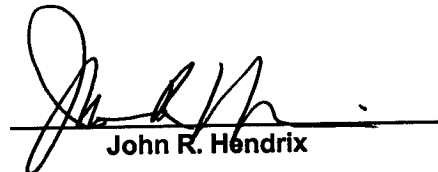
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Commission dur
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STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

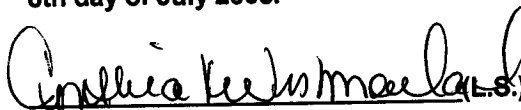
AFFIDAVIT
Docket No. 2005-113-G

PERSONALLY APPEARED before me, John R. Hendrix, who being first duly sworn, deposes and says that he is a manager in the Electric Pricing and Rate Administration Department for South Carolina Electric & Gas Company; that at his direction and under his supervision the Notice of Filing and Hearing attached as Exhibit A and incorporated herein has been mailed to all applicable customers of South Carolina Electric & Gas Company on or before June 30, 2005.


John R. Hendrix

SWORN TO before me

8th day of July 2005.

 (L.S.) Notary Public for South Carolina

My Commission Expires: Sept. 13, 2011

EXHIBIT A
South Carolina Electric and Gas Company
Docket No. 2005-113-G
Proposed Gas Rates

DESCRIPTION	PROPOSED	ALTERNATIVE
Rate 31 - General Service		
Basic Facilities Charge - (Nov.-Apr.)	\$15.50	\$13.50
Basic Facilities Charge - (May-Oct.)	\$9.50	\$7.50
Per Therm Charge	\$1.23147	\$1.24398
Rate 33 - Medium General Service		
Basic Facilities Charge	\$25.00	\$16.75
Per Therm Charge	\$1.18147	\$1.19398
Rate 32V - Residential Value Service		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge	\$1.18972	\$1.24252
Rate 32S - Residential Standard Service		
Basic Facilities Charge - (Nov.-Apr.)	\$10.75	\$7.00
Basic Facilities Charge - (May-Oct.)	\$5.75	\$5.00
Per Therm Charge	\$1.24972	\$1.30252
Rate 34 - Large General Service		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge per Dekatherm	\$9.14585	\$9.14585
Rate 35 - Transportation and Standby Service		
Transportation Charges		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$1.59920	\$1.59920
Standby Charges		
Standby Demand Per Dekatherm (Nov.-Apr.)	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$9.14585	\$9.14585
Rate 36 - Gas Lighting		
Two Mantle Fixture - Monthly Fixed Charge	\$24.20	\$24.20
Three Mantle Fixture - Monthly Fixed Charge	\$32.03	\$32.03
Four Mantle Fixture - Monthly Fixed Charge	\$40.05	\$40.05
Rider to Rate 31 Specification A - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge - All Therms	\$0.91080	\$0.91080
Rider to Rate 31 Specification B - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge	\$1.23147	\$1.24398
Rider to Rate 32 Specification B - Residential Air Conditioning		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge - All Therms	\$1.04582	\$1.04582
Rider to Rate 34 - Large General Service Air Conditioning		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Per Therm Charge - All Therms	\$0.88659	\$0.88659

n

**PUBLIC SERVICE
COMMISSION OF SOUTH CAROLINA**

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005-113-G

**APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY
FOR AN ADJUSTMENT OF ITS RATES AND CHARGES FOR NATURAL
GAS SERVICE, FOR NEW DEPRECIATION RATES AND CHANGES IN ITS
TERMS AND CONDITIONS OF SERVICE**

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400

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e City and State
published in

2005 JUN 12 PM 3:17
P. Walker

_____, A.D., 2005.

P. Walker
for South Carolina
expires July 1, 2012

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

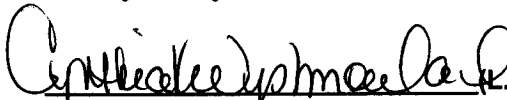
AFFIDAVIT
Docket No. 2005-113-G

PERSONALLY APPEARED before me, John R. Hendrix, who being first duly sworn, deposes and says that he is a manager in the Electric Pricing and Rate Administration Department for South Carolina Electric & Gas Company; that at his direction and under his supervision the Notice of Hearing attached as Exhibit A and incorporated herein has been published in newspaper(s) of general circulation applicable to the service area of South Carolina Electric & Gas Company on or before June 30, 2005.


John R. Hendrix

SWORN TO before me

8th day of July 2005.

 (L.S.) Notary Public for South Carolina

My Commission Expires: Sept. 13, 2011

AFFIDAVIT OF
PUBLICATION

PUBLIC SERVICE
COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005-113-G

APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS
COMPANY FOR AN ADJUSTMENT OF ITS RATES AND
CHARGES FOR NATURAL GAS SERVICE, FOR NEW DE-
PRECIATION RATES AND CHANGES IN ITS TERMS AND
CONDITIONS OF SERVICE

STATE OF SOUTH CAROLINA}

COUNTY OF GEORGETOWN}

Personally Appeared Before Me

April Sadd

the undersigned Advertising Clerk of the above
named newspaper, published in the City of
Georgetown, County and State aforesaid, who
being duly sworn, says that the attached
advertisement appeared in the issues of the
said newspaper on the following day(s):

01/22/05

Subscribed and Sworn to Before me this

5th day of July
A.D. 2005.

Dianne L. Bone
Notary Public, SC
My Commission Expires: Nov. 13, 2008

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina.

The Application sets forth the following information in support of the proposed rates:

1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.
2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1.11%.
3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211, as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally, SCE&G's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on Monday, September 19, 2005 at 11:00 a.m.

AFFIDAVIT OF
PUBLICATION

Georgetown

STATE OF SOUTH CAROLINA}

COUNTY OF GEORGETOWN}

Personally Appeared Before Me

April Todd

the undersigned Advertising Clerk of the above
named newspaper, published in the City of
Georgetown, County and State aforesaid, who
being duly sworn, says that the attached
advertisement appeared in the issues of the
said newspaper on the following day(s):

6/22/05

Subscribed and Sworn to Before me this

5th day of July
A.D. 2005.

Dianne L. Bone

Dianne L. Bone

Notary Public, SC

My Commission Expires: Nov. 13, 2008

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11269, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-486-6100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina, 29211

12 May 2005
Pb

EXHIBIT A

South Carolina Electric and Gas
Company
Docket No. 2005-113-G
Proposed Gas Rates

Description	Proposed	Alternative
Rate 31 - General Service		
Basic Facilities Charge - (Nov-Apr.)	\$15.50	\$13.50
Basic Facilities Charge - (May-Oct.)	\$9.50	\$7.50
Per Therm Charge	\$1.23147	\$1.24398

Rate 32 - Medium General Service		
Basic Facilities Charge	\$25.00	\$16.75
Per Therm Charge	\$1.18147	\$1.19398

Rate 32V - Residential Value Service		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge	\$1.18972	\$1.24252

Rate 32S - Residential Standard Service		
Basic Facilities Charge - (Nov-Apr.)	\$10.75	\$7.00
Basic Facilities Charge - (May-Oct.)	\$5.75	\$5.00
Per Therm Charge	\$1.24972	\$1.30252

Rate 34 - Large General Service		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge per Dekatherm	\$9.14585	\$9.14585

Rate 35 - Transportation and Standby Service		
Transportation Charges		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$1.59920	\$1.59920

Standby Charges		
Standby Demand Per Dekatherm (Nov-Apr.)	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$9.14585	\$9.14585

Rate 36 - Gas Lighting		
Two Mantle Fixture - Monthly Fixed Charge	\$24.20	\$24.20
Three Mantle Fixture - Monthly Fixed Charge	\$32.03	\$32.03
Four Mantle Fixture - Monthly Fixed Charge	\$40.05	\$40.05

Rider to Rate 31 Specification A - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge - All Therms	\$0.91080	\$0.91080

Rider to Rate 31 Specification B - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge	\$1.23147	\$1.24398

Rider to Rate 32 Specification B - Residential Air Conditioning		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge - All Therms	\$1.04582	\$1.04582

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STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

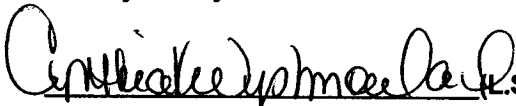
AFFIDAVIT
Docket No. 2005-113-G

PERSONALLY APPEARED before me, John R. Hendrix, who being first duly sworn, deposes and says that he is a manager in the Electric Pricing and Rate Administration Department for South Carolina Electric & Gas Company; that at his direction and under his supervision the Notice of Hearing attached as Exhibit A and incorporated herein has been published in newspaper(s) of general circulation applicable to the service area of South Carolina Electric & Gas Company on or before June 30, 2005.


John R. Hendrix

SWORN TO before me

8th day of July 2005.

 (L.S.) Notary Public for South Carolina

My Commission Expires:

Sept. 13, 2011

Affidavit of Publication

The News and Press, Inc.

Darlington, South Carolina

**STATE OF SOUTH CAROLINA
COUNTY OF DARLINGTON**

Personally appeared before me, Ann Thomas, who being duly sworn, says that she is the General Manager of *The News and Press, Inc.*, a newspaper published in the City and State aforesaid, and that the Legal Notice, a copy of which is hereto attached, was published in said newspaper 1 times, to wit:

On the 30 day of June, 2005

On the _____ day of _____, 20____

On the _____ day of _____, 20____

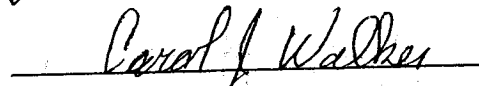
On the _____ day of _____, 20____

On the _____ day of _____, 20____

On the _____ day of _____, 20____



Sworn to and subscribed before me this 30 day of June, A.D., 2005.



Notary Public for South Carolina
My commission expires July 1, 2012

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005-113-G

APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY FOR AN ADJUSTMENT OF ITS RATES AND CHARGES FOR NATURAL GAS SERVICE, FOR NEW DEPRECIATION RATES AND CHANGES IN ITS TERMS AND CONDITIONS OF SERVICE

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before July 15, 2005. Please refer to Docket No. 2005-113-G. PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding MUST present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina

Attn: Docketing Department

Post Office Drawer 11649

Columbia, South Carolina, 29211

12 May 2005 Fib

EXHIBIT A South Carolina Electric and Gas Company Docket No. 2005-113-G Proposed Gas Rates

Description	Proposed
Alternative	
Rate 31 - General Service	
Basic Facilities Charge - (Nov.-Apr.)	\$15.50
\$13.50	
Basic Facilities Charge - (May-Oct.)	\$9.50
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\$9.14585	
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\$24.20	
Three Mantle Fixture - Monthly Fixed Charge	\$32.03
\$32.03	
Four Mantle Fixture - Monthly Fixed Charge	\$40.05
\$40.05	
Rider to Rate 31 Specification A - Commercial Air Conditioning	
Basic Facilities Charge	\$12.50
\$10.50	
Per Therm Charge - All Therms	\$0.91080
\$0.91080	
Rider to Rate 31 Specification B - Commercial Air Conditioning	
Basic Facilities Charge	\$12.50
\$10.50	
Per Therm Charge	\$1.23147
\$1.24398	
Rider to Rate 32 Specification B - Residential Air Conditioning	
Basic Facilities Charge	\$8.25
\$6.00	
Per Therm Charge - All Therms	\$1.04582
\$1.04582	
Rider to Rate 34 - Large General Service Air Conditioning	
Demand Charge - 1st 50 Dekatherms	\$10.00
\$10.00	
Demand Charge - Over 50 Dekatherms	\$6.00
\$6.00	
Per Therm Charge - All Therms	\$0.88659
\$0.88659	

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina.

The Application sets forth the following information in support of the proposed rates:

1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.

2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1.11%.

3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211, as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally, SCE&G's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on Monday, September 19, 2005 at 11:00 a.m.

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

AFFIDAVIT OF
PUBLICATION

Georgetown

Times

STATE OF SOUTH CAROLINA}

COUNTY OF GEORGETOWN}

Personally Appeared Before Me

April Ladd

the undersigned Advertising Clerk of the above
named newspaper, published in the City of
Georgetown, County and State aforesaid, who
being duly sworn, says that the attached
advertisement appeared in the issues of the
said newspaper on the following day(s):

6/22/05

Subscribed and Sworn to Before me this

5th day of July
A.D. 2005.

Dianne L. Bone

Dianne L. Bone

Notary Public, SC

My Commission Expires: Nov. 13, 2008

PUBLIC SERVICE
COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005-113-G

APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS
COMPANY FOR AN ADJUSTMENT OF ITS RATES AND
CHARGES FOR NATURAL GAS SERVICE, FOR NEW DE-
PRECIATION RATES AND CHANGES IN ITS TERMS AND
CONDITIONS OF SERVICE

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina.

The Application sets forth the following information in support of the proposed rates:

1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.
2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1.11%.
3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211, as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally, SCE&G's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on Monday, September 19, 2005 at 11:00 a.m.

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina, 29211

12 May 2005
Flb

EXHIBIT A

South Carolina Electric and Gas
Company
Docket No. 2005-113-G
Proposed Gas Rates

Description	Proposed	Alternative
Rate 31 - General Service		
Basic Facilities Charge - (Nov.-Apr.)	\$15.50	\$13.50
Basic Facilities Charge - (May-Oct.)	\$9.50	\$7.50
Per Therm Charge	\$1.23147	\$1.24398
Rate 33 - Medium General Service		
Basic Facilities Charge	\$25.00	\$16.75
Per Therm Charge	\$1.18147	\$1.19398
Rate 32V - Residential Value Service		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge	\$1.18972	\$1.24252
Rate 32S - Residential Standard Service		
Basic Facilities Charge - (Nov.-Apr.)	\$10.75	\$7.00
Basic Facilities Charge - (May-Oct.)	\$5.75	\$5.00
Per Therm Charge	\$1.24972	\$1.30252
Rate 34 - Large General Service		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge per Dekatherm	\$9.14585	\$9.14585
Rate 35 - Transportation and Standby Service		
Transportation Charges		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$1.59920	\$1.59920
Standby Charges		
Standby Demand Per Dekatherm (Nov.-Apr.)	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$9.14585	\$9.14585
Rate 36 - Gas Lighting		
Two Mantle Fixture - Monthly Fixed Charge	\$24.20	\$24.20
Three Mantle Fixture - Monthly Fixed Charge	\$32.03	\$32.03
Four Mantle Fixture - Monthly Fixed Charge	\$40.05	\$40.05
Rider to Rate 31 Specification A - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge - All Therms	\$0.91090	\$0.91090
Rider to Rate 31 Specification B - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge	\$1.23147	\$1.24398
Rider to Rate 32 Specification B - Residential Air Conditioning		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge - All Therms	\$1.04582	\$1.04582
Rider to Rate 34 - Large General Service Air Conditioning		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Per Therm Charge - All Therms	\$0.88659	\$0.88659



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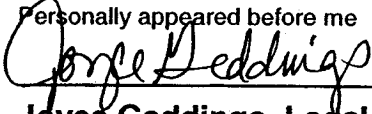
STATE OF SOUTH CAROLINA
COUNTY OF SUMTER

PRINTER'S AFFIDAVIT

Scana Corp

1426 Main Street
6th Floor, Mail Code 063
Columbia SC 29218

Personally appeared before me



Joyce Geddings, Legal Clerk

who being duly sworn, says she is a
Bookkeeping Clerk of the OSTEEN
PUBLISHING CO., Publisher of THE ITEM,
A Newspaper published in said state and
county and that advertisement

SCE&G Appl. - Rate Adjustment

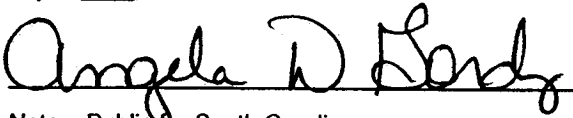
0000144095

was published in said newspaper on

6/22/2005

and a copy of advertisement is attached.

Sworn to before me this 23 rd
day of June, 2005.



Notary Public for South Carolina

ANGELA D. GORDY
My Commission Expires
June 13, 2013

LEGAL NOTICES

NOTICE OF FILING AND HEARING DOCKET NO. 2005-113-G

**PUBLIC SERVICE
COMMISSION OF
SOUTH CAROLINA
DOCKETING DEPARTMENT**

APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY FOR AN ADJUSTMENT OF ITS RATES AND CHARGES FOR NATURAL GAS SERVICE, FOR NEW DEPRECIATION RATES AND CHANGES IN ITS TERMS AND CONDITIONS OF SERVICE

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina.

The Application sets forth the following information in support of the proposed rates:

1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.

2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1.11%.

3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina,

Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211, as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally, SCE&G's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on **Monday, September 19, 2005 at 11:00 a.m.**

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before **July 15, 2005**. Please refer to **Docket No. 2005-113-G**.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **July 15, 2005**. Please refer to **Docket No. 2005-113-G**.

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before **July 15, 2005**. Please refer to **Docket No. 2005-113-G**.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information

about the Commission's Procedures should contact the Commission in Columbia at (803) 896-5100.

**Public Service Commission
of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, S.C. 29211**

12 May 2005
Fib

EXHIBIT A

**South Carolina Electric
and Gas Company
Docket No. 2005-113-G
Proposed Gas Rates**

Description - Proposed/Alternative

Rate 31 - General Service
Basic Facilities Charge -
(Nov-Apr.)
Proposed - \$15.50
Alternative - \$13.50
Basic Facilities Charge -
(May-Oct.)
Proposed - \$9.50
Alternative - \$7.50
Per Therm Charge -
Proposed - \$1.23147
Alternative - \$1.24398

**Rate 33 - Medium General
Service**
Basic Facilities Charge -
Proposed - \$25.00
Alternative - \$16.75
Per Therm Charge -
Proposed - \$1.18147
Alternative - \$1.19398

**Rate 32V - Residential
Value Service**
Basic Facilities Charge -
Proposed - \$8.25
Alternative - \$6.00
Per Therm Charge -
Proposed - \$1.18972
Alternative - \$1.24252

**Rate 32S - Residential
Standard Service**
Basic Facilities Charge -
(Nov-Apr.) Proposed - \$10.75
Alternative - \$7.00
Basic Facilities Charge -
(May-Oct.) Proposed - \$5.75
Alternative - \$5.00
Per Therm Charge -
Proposed - \$1.24972
Alternative - \$1.30252

**Rate 34 - Large General
Service**
Demand Charge -
1st 50 Dekatherms
Proposed - \$10.00
Alternative - \$10.00

Alternative - \$10.00
Demand Charge -
Over 50 Dekatherms
Proposed - \$8.00
Alternative - \$6.00
Commodity Charge per
Dekatherm
Proposed - \$9.14585
Alternative - \$9.14585

Rate 35 - Transportation and Standby Service

Transportation Charges
Demand Charge -
1st 50 Dekatherms
Proposed - \$10.00
Alternative - \$10.00
Demand Charge -
Over 50 Dekatherms
Proposed - \$6.00
Alternative - \$6.00
Commodity Charge Per
Dekatherm
Proposed - \$1.59920
Alternative - \$1.59920
Standby Charges
Standby Demand Per
Dekatherm (Nov-Apr.)
Proposed - \$6.00
Alternative - \$6.00
Commodity Charge Per
Dekatherm
Proposed - \$9.14585
Alternative - \$9.14585

Rate 36 - Gas Lighting
Two Mantle Fixture -
Monthly Fixed Charge
Proposed - \$24.20
Alternative - \$24.20
Three Mantle Fixture -
Monthly Fixed Charge
Proposed - \$32.03
Alternative - \$32.03
Four Mantle Fixture -
Monthly Fixed Charge
Proposed - \$40.05
Alternative - \$40.05

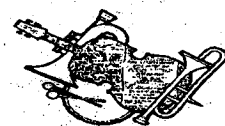
Rider to Rate 31 Specification A - Commercial

Air Conditioning
Basic Facilities Charge
Proposed - \$12.50
Alternative - \$10.50
Per Therm Charge - All Therms
Proposed - \$0.91080
Alternative - \$0.91080

**Rider to Rate 31
Specification B - Commercial**
Air Conditioning
Basic Facilities Charge
Proposed - \$12.50
Alternative - \$10.50
Per Therm Charge
Proposed - \$1.23147
Alternative - \$1.24398

Rider to Rate 32
Specification B - Residential
Air Conditioning
Basic Facilities Charge
Proposed - \$8.25
Alternative - \$6.00
Per Therm Charge -
All Therms
Proposed - \$1.04582
Alternative - \$1.04582

**Rider to Rate 34 - Large
General Service**
Air Conditioning
Demand Charge -
1st 50 Dekatherms
Proposed - \$10.00
Alternative - \$10.00
Demand Charge -
Over 50 Dekatherms
Proposed - \$6.00
Alternative - \$6.00
Per Therm Charge - All Therms
Proposed - \$0.88659
Alternative - \$0.88659

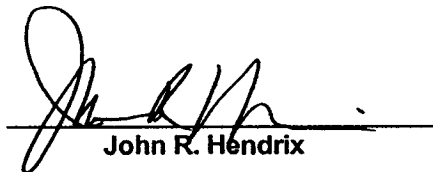


STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

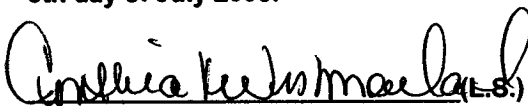
AFFIDAVIT
Docket No. 2005-113-G

PERSONALLY APPEARED before me, John R. Hendrix, who being first duly sworn, deposes and says that he is a manager in the Electric Pricing and Rate Administration Department for South Carolina Electric & Gas Company; that at his direction and under his supervision the Notice of Filing and Hearing attached as Exhibit A and incorporated herein has been mailed to all applicable customers of South Carolina Electric & Gas Company on or before June 30, 2005.


John R. Hendrix

SWORN TO before me

8th day of July 2005.


(L.S.) Notary Public for South Carolina

My Commission Expires Sept. 13, 2011

**PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKETING DEPARTMENT
NOTICE OF FILING AND HEARING
DOCKET NO. 2005-113-G**

Application of South Carolina Electric & Gas Company for an adjustment of its rates and charges for natural gas service, for new depreciation rates and changes in its terms and conditions of service

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be

subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina.

The Application sets forth the following information in support of the proposed rates:

1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.
2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1.11%.
3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

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Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before **July 15, 2005**. Please refer to **Docket No. 2005-113-G**.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **July 15, 2005**. Please refer to **Docket No. 2005-113-G**.

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Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina, 29211



www.sceg.com

EXHIBIT A
South Carolina Electric and Gas Company
Docket No. 2005-113-G
Proposed Gas Rates

DESCRIPTION	PROPOSED	ALTERNATIVE
Rate 31 - General Service		
Basic Facilities Charge - (Nov.-Apr.)	\$15.50	\$13.50
Basic Facilities Charge - (May-Oct.)	\$9.50	\$7.50
Per Therm Charge	\$1.23147	\$1.24398
Rate 33 - Medium General Service		
Basic Facilities Charge	\$25.00	\$16.75
Per Therm Charge	\$1.18147	\$1.19398
Rate 32V - Residential Value Service		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge	\$1.18972	\$1.24252
Rate 32S - Residential Standard Service		
Basic Facilities Charge - (Nov.-Apr.)	\$10.75	\$7.00
Basic Facilities Charge - (May-Oct.)	\$5.75	\$5.00
Per Therm Charge	\$1.24972	\$1.30252
Rate 34 - Large General Service		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge per Dekatherm	\$9.14585	\$9.14585
Rate 35 - Transportation and Standby Service		
Transportation Charges		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$1.59920	\$1.59920
Standby Charges		
Standby Demand Per Dekatherm (Nov.-Apr.)	\$6.00	\$6.00
Commodity Charge Per Dekatherm	\$9.14585	\$9.14585
Rate 36 - Gas Lighting		
Two Mantle Fixture - Monthly Fixed Charge	\$24.20	\$24.20
Three Mantle Fixture - Monthly Fixed Charge	\$32.03	\$32.03
Four Mantle Fixture - Monthly Fixed Charge	\$40.05	\$40.05
Rider to Rate 31 Specification A - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge - All Therms	\$0.91080	\$0.91080
Rider to Rate 31 Specification B - Commercial Air Conditioning		
Basic Facilities Charge	\$12.50	\$10.50
Per Therm Charge	\$1.23147	\$1.24398
Rider to Rate 32 Specification B - Residential Air Conditioning		
Basic Facilities Charge	\$8.25	\$6.00
Per Therm Charge - All Therms	\$1.04582	\$1.04582
Rider to Rate 34 - Large General Service Air Conditioning		
Demand Charge - 1st 50 Dekatherms	\$10.00	\$10.00
Demand Charge - Over 50 Dekatherms	\$6.00	\$6.00
Per Therm Charge - All Therms	\$0.88659	\$0.88659